

SUMMARY OF TESTIMONY OF LINDA P. TORRES

House Committee on Energy and Commerce Subcommittee on Commerce, Trade, and Consumer Protection

March 3, 2005

This testimony is offered on behalf of both the International Boxing Federation (IBF) and World Boxing Association (WBA), which are world boxing sanctioning organizations.

Both the IBF and WBA believe that action should be taken to establish minimum health and safety standards throughout the 50 states. However, the organizations do not believe that the federal government needs to establish a new federal agency to regulate the sport of boxing, when boxing is already regulated by the states and no other sport is comprehensively regulated by the federal level.

If Congress does intend to comprehensively regulate the sport of boxing at the federal level, the United States Boxing Commission Act is the best model for accomplishing this task. However, changes should be made to:

- Assure that law abiding individuals and entities are not put out of business
- Reflect the financial reality of the sport
- Assure that the largest and most powerful players in the sport are not absolved from regulation

The Committee should also consider:

- Whether the federal government really wants to intervene in civil actions
- How it can help to assure that the Internal Revenue Service (IRS) and state governments are not cheated on the taxes that they collect from boxing matches held in their jurisdictions

TESTIMONY OF LINDA P. TORRES
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Before the Subcommittee on Commerce, Trade, and
Consumer Protection
March 3, 2005

“H.R. ____, United States Boxing Commission Act”

Chairman Stearns, members of the Subcommittee, my name is Linda Torres and I thank you for giving me this opportunity to present the views of the International Boxing Federation, Inc. (IBF). Over the past few years, the International Boxing Federation Inc. has worked with the World Boxing Association (WBA) on efforts to improve the sport of boxing, and I have been authorized by the WBA to submit this testimony on behalf of both organizations, in order to provide you with a broad perspective from world sanctioning bodies. Both the IBF and WBA are sanctioning organizations with international membership and affiliations with regional boxing federations in other countries.

Of the hundreds of sports that are practiced in the United States, we are unaware of any that are comprehensively regulated by a United States federal agency. That is why

we are here today. While a recent test revealed that between 5 and 7 percent of major-league baseball players tested positive for steroids, professional baseball is not comprehensively regulated by a federal agency. While NASCAR drivers travel at speeds of up to nearly 200 miles per hour which has led to notable deaths and injuries, race car driving is not comprehensively regulated by the federal government. Even kickboxing, where participants can strike each other with elbows and kicks to the head, and mixed martial arts, where participants can hold another human being against a chain linked cage and beat them into submission or unconsciousness, are not regulated by the federal government. Instead, we are here today to discuss why boxing should be the only sport in the United States to be comprehensively regulated by the United States government, through the establishment of a new federal agency, solely dedicated to the oversight of the sport of boxing.

We have heard the arguments for federal oversight. However, unlike some of the sports that I previously mentioned, boxing is already regulated by nearly every state in the United States. Additionally, a union has recently been formed for boxers, and there are dozens of promoters, and hundreds of managers, trainers, and matchmakers in the sport. There is even an Association of Boxing Commissions (ABC), an organization comprised of employees of state boxing commissions, that is working to standardize the rules and administration of boxing throughout the United States. They have developed unified rules for professional boxing contests and have made suggestions for the criteria for the ranking of fighters that the IBF, WBA and other world sanctioning organizations are urged to adopt. To date, the organizations have incorporated the ratings criteria suggested by the ABC into their own sets of criteria. We are presently working with the ABC on reviewing newly suggested criteria.

The IBF and WBA are aware that there is room for improvement in the sport of boxing. In order to address the problems that plague the sport, the IBF has taken a lead role by bringing interested parties in the sport of boxing together to openly discuss improvements that can be made. At our annual convention last June in San Francisco, the IBF invited the boxing world, including this committee, to a discussion titled, “The Future of Professional Boxing,” which was an open discussion of the issues that need to be addressed in the sport of boxing (see APPENDIX A). Panelists for this event included New Jersey Athletic Commissioner Larry Hazzard, international matchmaker Carl Moretti, and IBF World Heavyweight Champion Chris Byrd. When President Bush proposed a White House “summit” on steroid use in sports, the IBF and WBA informed the Office of National Drug Control Policy’s Assistant Deputy Director that the two organizations are committed to “maintain[ing] the integrity of the sport of boxing” and “protect[ing] the health and safety of fighters” and would be happy to attend (see APPENDIX B).

The IBF and WBA do not believe that the federal government should create a new federal agency to regulate the sport of boxing. Rather, the organizations believe that the boxing industry itself should be allowed to address the sport’s problems, as other sports do. Specifically, Congress could direct the Association of Boxing Commissions to establish minimum health and safety requirements for boxers to be adopted by each state. This would insure, for example, that each state has the appropriate medical equipment and personnel present at a boxing match, and that each state tests fighters for infectious diseases such as HIV, Hepatitis C and other performance enhancing drugs and steroids. This would allow Congress to address the health and safety issues in the sport without having to create and fund a federal agency to oversee the sport.

Having expressed our concerns and belief that it is not necessary for Congress to create a new federal agency to oversee boxing, if Congress intends to regulate the sport through a new federal agency, the United States Boxing Commission Act is the best model for accomplishing this task. While other bills have been proposed, they would attempt to micromanage the sport of boxing. The United States Boxing Commission Act, on the other hand, recognizes that boxing is an international sport and instead focuses on the health and safety of boxers and the standardization of practices throughout the states in the interest of commerce, trade and consumer protection. However, in these interests, the IBF and WBA believe that several minor changes should be made to the bill. They are as follows:

1. The United States Boxing Commission Act should be amended to assure that law abiding individuals and entities are not put out of business

The United States Boxing Commission Act requires boxing managers, promoters and sanctioning organizations to obtain a license from the United States Boxing Commission (created in the bill) in order to work fights in the United States (Section 4). However, this license can be taken away if “there are reasonable grounds for belief that a standard prescribed by the Commission . . . is not being met” or that “the suspension or revocation [is] in the public interest” [Section 7 (1) B,C]. It appears that, a law abiding individual or entity could have its license taken away, and essentially be put out of business (as a license is required to work in the United States), without it ever being demonstrated that the individual or entity did anything wrong. “Reasonable grounds for belief” and the “public interest” are undefined and very vague. A licensee should only

lose its license if it has actually been proven, upon notice and after hearing, that it has done something illegal or in violation of the statute.

2. The United States Boxing Commission Act should be amended to reflect the financial reality of the sport

The United States Boxing Commission Act would require sanctioning organizations and promoters to pay the largest portion of licensing fees [Section 4 (b) 2B]. Promoters, television networks and cable companies often make millions of dollars on professional boxing matches. In contrast, sanctioning organizations only collect up to a maximum of 3% of a fighter's purse (how much the fighter is paid) in a championship fight. Nominal fees are paid for eliminators. There are no sanctioning fees paid at all unless the bout is a title fight of eliminator in a weight class. The bulk of the revenue from a fight is typically split with the largest portions going to the networks, promoters, managers and fighters. Therefore, it would be unfair for sanctioning bodies to pay "comparatively the largest portion" of fees, when they are comparatively paid much less than other licensed parties.

3. The United States Boxing Commission Act fails to regulate the largest players in professional boxing

The United States Boxing Commission Act fails to regulate television networks and cable and satellite service providers (herein collectively referred to as "networks"). While, on the surface, networks appear to only broadcast boxing matches to a viewing audience, in fact, they play a much larger role in the sport of boxing. They are actively involved in the business of promoting fights and enter into long term contracts with

boxers, requiring them to fight only for the subject network and only against opponents that they approve.

The networks dictate the dates of the bouts and the amount that will be paid to the boxers for each fight. Additionally, they require that certain bouts be held for certain titles and have provisions in their contracts stipulating that certain belts be at stake for them to finance a show. Furthermore, the networks select the opponents of their boxers under contract without regard to the rules and ratings of sanctioning organizations.

Sanctioning organizations have rules to insure the orderly defense of titles and to make sure that those boxers who have earned the right to fight for the title, that is, who are in a “mandatory” position, are allowed to fight for the title within a specified time frame. The “mandatory” may not be the media darling and the network may refuse to buy the fight required by the organization’s rules. Finally, networks derive huge sums of money from professional fights, especially on high priced, pay-per-view bouts. Absolving networks from a regulatory licensing structure of boxers and boxing personnel would be detrimental to positive boxing reform.

In addition to the changes outlined above, the IBF and WBA believe that the Committee should also consider:

1. Whether the federal government really wants to “intervene in civil actions”

[Section 7 (c)].

The United States Boxing Commission Act would allow the United States Boxing Commission to intervene in civil actions on behalf of the public interest. Federal courts and state courts have rules governing permissive intervention in lawsuits. If successful,

on a motion to intervene, the United States would become a party to the litigation. Litigation is costly and time consuming. What is in the “public interest” is open to interpretation. The government’s objective can be met by filing an amicus brief in the court on behalf of the public as opposed to actually becoming a party on the lawsuit.

2. How can the United States Boxing Commission Act help to assure that the Internal Revenue Service (IRS) and state governments are not cheated on the taxes that they collect from boxing matches held in their jurisdictions?

Over the past few years, some fighters have begun to understate their total compensation for a fight in the official bout agreements that they file with the state boxing commission where the fight is held. In some instances, fighters are not reporting millions of dollars that they are earning. If this money is not being reported to the states, it is likely that it is not being reported to the IRS either. This impacts not only state and federal government revenues, but the sanctioning organizations as well which are not informed of the true purses and, thus, cannot collect the proper sanctioning fees. Any action that the Committee could take to correct this problem would not only be in the best interest of government, but also in the interest of the business.

The IBF and WBA appreciate the work of the Committee and its interest in improving the sport of boxing. While we do not believe that it is necessary to create a new federal agency to oversee the regulation of boxing, we believe that steps can be taken to improve the sport. Since the passage of the Muhammad Ali Boxing Reform Act (H.R. 1832) in 2000, the IBF and WBA have taken a lead role in working to maintain the integrity of the sport and in addressing problems within the sport. We will continue in

these efforts and ask that you to work with us to bring the boxing industry together to address its problems, as other sports do, before creating a new federal agency. Together we can improve the sport for boxing participants, boxing personnel and boxing fans around the world.

APPENDIX A

Smith Alling Lane

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May 5, 2004

Committee on Energy & Commerce
United States House of Representatives
Washington, D.C. 20515

Re: Invitation – Issues in Professional Boxing

Dear Committee Members and Staff:

The International Boxing Federation (IBF) would like to invite you to a session entitled The Future of Professional Boxing during the IBF Annual Convention on Thursday, June 3rd from 3:00-6:00 p.m. at the Argent Hotel in San Francisco, California.

The purpose of this session will be to discuss improvements that can be made within the sport of boxing, various policy issues, and models for regulation, including Senator McCain's proposal to establish a National Boxing Commission (S. 275). Specific topics for the policy session will include:

- How can the sport of boxing be improved?
- Is congressional legislation necessary?
- Do we need a national commission?
- Can the boxing industry come together to improve the sport?

The outcomes of this historic meeting could drastically affect the future of professional boxing. During the meeting, boxers, promoters, state commissioners, sanctioning bodies, officials and other boxing personnel will discuss the status of the boxing industry and develop recommendations for improving the sport.

We would be honored to host any congressional delegate(s) and ask that you please **RSVP for this event by calling Noah Reandeau at (253) 627-1091.**

Sincerely,



Noah Reandeau

APPENDIX B

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March 8, 2004

Norman Deck
Assistant to Deputy Director
Office of National Drug Control Policy
750 – 17th Street, N.W.
Washington, DC 20503

Dear Mr. Deck,

The International Boxing Federation (IBF) and World Boxing Association (WBA) would like to express their interest in attending the White House's proposed summit on steroid use by athletes.

While marijuana and cocaine are the primary sources of substance abuse among boxers, steroid use is a growing concern. Unlike marijuana and cocaine, which are used for their addictive properties, steroids are used to gain a competitive advantage. This advantage is unfair to boxers who abide by the rules, is detrimental to the health of the steroid user, is often against the law, sets a bad example for the public, and can lead other competitors to begin using to "keep up" with the competition.

The IBF and WBA support President Bush's efforts to address steroid use by athletes. Both professional boxing sanctioning organizations are committed to maintaining the integrity of the sport of boxing and care about the health and welfare of boxers. Therefore, they are committed to finding solutions to this growing problem.

If the IBF and WBA were invited to the proposed summit, they could present information on the problem of steroid use in boxing and efforts that have been taken to address steroid use within the sport. Additionally, they could learn about the actions that other sports have taken to address this problem. Finally, after the summit, the organizations could meet with industry representatives to discuss any additional measures that could be taken to protect the health and safety of fighters.

Should you have any questions or require any additional information, please do not hesitate to contact me. I may be reached at (253) 627-1091.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, reading "Noah Reandeau", is displayed on a light blue rectangular background.

Noah Reandeau